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# Intelligence Report

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BUREAU OF INTELLIGENCE  
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THE SITUATION IN CUBA

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Abstract

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Prime Minister Fidel Castro remains firmly in control of Cuba despite increasing popular discontent and overt opposition. His regime has consolidated and extended its domination of the political life of the country through the destruction of old institutions and the creation of new ones in the Communist mold such as the National Institute of Agrarian Reform (INRA) and a burgeoning people's militia. The Cuban Communist Party has played a dominant role in the Castro government through members who occupy key administrative, managerial, and military positions.

Serious economic dislocations have resulted from Castro's radical policies, but prospects are that these will not lead to the collapse or a significant weakening of his regime, owing largely to increasing internal political controls and the willingness of the Sino-Soviet Bloc to supply Cuba's needs. The Bloc has already given Castro substantial financial, technical, and economic assistance, and has supplied him with large quantities of modern arms. The latter have increased the regime's potential for self-defense, internal control, and support for pro-Castro subversion throughout Latin America. Other Latin American governments, although generally no longer sympathetic to Castro, are inhibited from taking strong joint action against him by weaknesses of their own positions, the strength of pro-Castro sentiment among their people and the inherent Latin American fear of "intervention".

## A. The Political Situation

In less than two years the Castro regime has consolidated its hold over Cuban society. New institutions have been created, and others, which have resisted the regime's domination, have been eliminated or revamped.

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APR 18 1961  
By THE DIRECTOR, Date 11/27/60

The National Institute of Agrarian Reform, which controls most agricultural lands, the state farms, "people's stores," and many industrial enterprises, is the major vehicle of authoritarian statism. All political parties except the Popular Socialist Party (PSP -- Cuban Communist Party) have been destroyed and their leadership silenced or forced to flee. For some time the regime has dominated all mass communications media -- newspapers, radio, and television. Pro-Castro elements are in control of all important labor unions, student groups, and professional organizations. The regime's seizure of most major industrial units as well as the property of all urban landlords and its establishment of a network of urban block wardens have further extended its control over daily life in the cities. Censure of the administration by the Catholic Church has resulted in a government-inspired propaganda effort to discredit the Church by identifying it with the Batista regime, the upper class, and foreign imperialism. These measures are closely parallel to the traditional pattern of Communist takeover.

### 1. The Security Forces

To tighten the dictatorship and provide strong defense against its external enemies, the Castro regime, with Bloc assistance, is rapidly building up its military and security capabilities. Primary stress has been placed on building up the militia, a growing force presently estimated at some 200,000, which has now taken over many of the internal security functions previously carried out by the regular armed forces. Drawn primarily from lower income peasants and urban workers, the militia represents an attempt by the regime to provide itself with a large security force and to regiment a large number of youth, giving them a sense of participation and identification with the regime. Thus far, the militia's overall combat efficiency is low, with many units still on a part-time training basis. However, there appears to be emerging a nucleus of well organized, well equipped, and well trained units loyal to Castro and strongly Communist-influenced. Within roughly the next year these units should develop into a reasonably effective security force.

The regular armed forces are still largely disrupted as a result of successive purges and the employment of substantial army and navy detachments in construction and other public works. At the present time the army, which is still the most effective of the three branches of the regular military establishment, numbers approximately 32,000 men. Increased emphasis is being placed on training, and Bloc military equipment and advisors have begun to make their appearance. Hence the army's combat capability can be expected to improve.

The Soviet Bloc has already extended considerable military assistance to Cuba in the form of some 10,000 to 12,000 tons of military equipment and some military and economic technicians and advisers. Some 6 helicopters, large quantities of machine guns and other small arms, and

some field and anti-aircraft artillery, and mortars have been positively identified. In addition, it is probable that Cuba has received from the Bloc a number of medium tanks and armored personnel carriers. Despite numerous reports, there is no hard evidence that Cuba has yet received MIG aircraft, nor is there any evidence that they have received or will receive nuclear weapons, missiles, or other sophisticated weapons.

Initially, the purpose of Cuba's military buildup was self defense. Anti-Castro guerrillas have been active in several areas inside Cuba and Cuban exile groups pose a constant invasion threat. However, the current sharpening and strengthening of all the instruments of police control suggest that the related motive of tightening the dictatorship is an equal, if not presently the prime, purpose of the military buildup. In addition, the mounting supply of small arms in Cuba should facilitate Cuban efforts to foment subversion and revolutionary activity in other Latin American countries.

## 2. The Cuban Communist Party

It is impossible to distinguish between the policies and actions of the Castro regime and the program presently advocated by the Cuban Communists. The party line laid down at the PSP congress last summer called for continued strong support for Castro, who was characterized as carrying out the essential first steps of a "revolution of national liberation." PSP spokesmen indicated that the regime would eventually evolve into a Communist state. The PSP is playing an increasingly important role in the government, and is providing guidance to Castro through his chief aides. Party members fill key administrative, managerial, and military positions. The party's propaganda apparatus is of inestimable value to Castro. Virtually all institutions of Cuban life are being remolded in the likeness of a typical Communist society.

## 3. Opposition Forces

Internal resistance to the Castro government has risen in the last six months but is still generally ineffective. The Catholic Church, the only major institution not brought to its knees by the regime, has taken an increasingly firm stand against Castro, but since it has never enjoyed extensive influence in Cuba it serves as little more than a rallying point for opposition. Castro has alienated most of the middle and professional classes, but many have now fled, and the remainder are disorganized and leaderless. Some campesinos are disgruntled, notably over the regime's failure to redistribute large landholdings as it has promised, and urban labor discontent is increasing with lower take-home pay and consumer goods scarcities. A number of anti-Castro guerrilla groups are operating in the Sierra Escambray area and in Oriente Province, but the regime has reacted vigorously and has thus far been able to contain these bands. Within the armed forces, there probably remains a measure of dissidence and probably considerable resentment at the government's

decided preference for the civilian militia, but this may decline as more Bloc equipment is made available to them. Moreover, Castro is almost certain to continue to remove dissatisfied elements. Abroad, Cuban exile groups are making some progress toward joining forces, but as yet none appears to have the capability for decisive action. Hence, while the regime's enemies are growing in numbers, no one group or combination of them seems well enough organized or sufficiently strong to offer a serious threat to Castro.

#### B. The Economic Situation

The Cuban economy as a whole continues to deteriorate, but is not yet close to the point where the stability of the Castro regime is jeopardized. In the last two years, the economy has suffered from the unsettling effects of violent revolution, drastic and haphazard reforms, and the setbacks attending government seizure of virtually all private enterprises. In the past six months the regime's economic problems have been compounded by the cutoff in US imports of Cuban sugar and by the embargo of all US exports to Cuba except medical supplies and nonsubsidized foodstuffs. These actions by Cuba's former major trading partner have had a considerable impact on the already sagging Cuban economy, and have aggravated the seasonal decline in Cuba's net foreign exchange reserves, which will probably stand at less than \$75 million at the end of 1960, having been about \$200 million at mid-year. At the same time, shortages of industrial goods, including spare parts for US-made machinery, are increasing. Inflationary pressure, springing mainly from large currency issues and government deficit financing, has thus far been kept in check by tightening price, wage, and exchange controls.

Bloc economic assistance is reducing the impact of US sanctions. The Bloc was quick to exploit the US-Cuba conflict by signing agreements for large-scale trade and for financial and technical assistance. The USSR purchased the 700,000 tons of sugar cut from the US quota in June 1960. It moved quickly to help Cuba meet the serious problems posed by the withdrawal of American oil companies from Cuba in mid-summer and the resulting loss of traditional sources of crude. Finally, in mid-December the USSR signed a \$168 million trade agreement with Cuba which may be aimed at assuring Cuba's solvency during the difficult first six months of 1961 when the sugar crop must be marketed.

#### C. Cuba and the Bloc

The Sino-Soviet Bloc's support for the Castro regime is part of its larger efforts to isolate the United States and to weaken and eventually destroy its influence throughout the world. The Soviets desire to establish Cuba as a secure base of operations for furthering their aims throughout Latin America. The Castro regime has already become an effective instrument of the Bloc toward this end. Cuba provides a better base of operations for subversion and propaganda throughout

Latin America than the Soviets have ever had. A strongly anti-American and pro-Soviet but not avowedly Communist Government like Castro's serves the purposes of the Bloc far better than would an openly Communist regime.

## D. Cuba and Latin America

The Castro regime enjoys a considerable measure of sympathy among the general public in Latin America because it appears to stand for social progress and for emancipation from US economic dominance. Its revolutionary character is not regarded as a defect by those out of power in Latin American countries. Therefore, there would be no wide basis of popular support for an inter-American move against Castro; indeed, most governments would be extremely cautious about committing themselves to such a move. At the same time most governments and ruling groups are alarmed by the revolutionary aspects of the Castro movement. Latin American governments are generally unsympathetic to Castro, and are becoming increasingly worried over the presence of the Bloc in Cuba, the pro-Castro troublemaking minorities in their countries, and Castro's attempts to export revolution. Nevertheless, Castro is benefiting from the unwillingness of most Latin American governments to act against him except when he or his supporters are caught interfering in their internal affairs.

The Castro regime is convinced that the Cuban revolution is the vanguard of "the anti-imperialist rebellion" that will inevitably sweep all of Latin America. It is actively encouraging and covertly assisting Communist and Communist-influenced revolutionary groups in other Latin American countries at every opportunity. Its methods include intensive propaganda supported by the Castro-subsidized international news agency, Prensa Latina, that has close working ties with Sino-Soviet Bloc news agencies and actually reflects the propaganda line of Moscow and Peiping. Cuban diplomatic missions have frequently provided Communist-oriented student and labor groups with propaganda material and financial assistance. The arms buildup in Cuba will permit the Cubans to supply weapons to pro-Castro groups in other countries. Receipt of Bloc military equipment permits Cuba to furnish Western-manufactured arms now in their possession for this purpose. Cuban subversion is further supported by the Castro-subsidized travel to Cuba of numerous Latin Americans who are exposed there to further political indoctrination and, according to frequent reports, given military training.

## E. Prospects

Time appears to be running in favor of the Castro regime. In the foreseeable future (the next year to 18 months) the curve of effective government controls over the people in Cuba will rise at a faster rate than will the curve of dissatisfaction and potential resistance to the Castro regime. Any further erosion of Castro's base of popular support is likely to be offset by the growing effectiveness of the state's instrumentalities

of control. The regime's capabilities for dealing with internal disturbances and foreign-based incursions are almost certain to improve. Effective governmental control over the institutions and daily life of the Cuban people is also likely to increase, making effective opposition more difficult and risky. Activities aimed at strengthening Castro's control over Cuba will probably include moves to reduce the influence of the Church -- particularly in the educational process. In addition, the regime can also be expected to attempt to increase its already great influence with Cuban youth through an extension of the authority and organization of the existing "revolutionary" youth groups. It also is reasonably certain that Castro will move to restrict internal travel in Cuba, that the work force will be further regimented, and that the Cuban diplomatic corps will be completely purged of unsympathetic elements, a measure actively underway.

Dislocations will occur in the Cuban economy, but they will not lead to the collapse or significant weakening of the Castro regime. Internal controls will be sufficient to facilitate any further belt-tightening which may be necessary. In addition, the Soviet Bloc can and will provide the assistance necessary to prevent serious deterioration in the Cuban economy in the short run and to permit an expansion of economic capabilities over the longer term. The Soviet Union will continue to support the military buildup in Cuba and will unstintingly exert its influence -- short of risking general war -- to sustain the present regime. The USSR, however, is unlikely to encourage a PSP attempt to seize power from Castro. Instead, they will seek to have the local Cuban Communists expand their influence and in other ways prepare the ground for an eventual Communist takeover. The USSR is unlikely to seek military bases in Cuba or to enter formal defense arrangements with Cuba. Moreover, the Soviets will probably urge Castro to exercise some caution in pursuing his anti-US policy lest he provoke an undesired showdown. Though Communist China advocates a more active Communist role, and though Chinese Communist influence in Cuba will probably increase, it is probable that the Soviet hand will remain dominant in Cuba for some time to come.

Direct Cuban intervention against another government in the form of a large-scale Cuban-based invasion force does not appear likely at present. Cuban assistance to rebel movements in other countries will probably continue, however. Cuban arms aid is likely to be limited for the most part to Communist or Communist-influenced groups and provided when Cuban leaders estimate that the planned revolution has a reasonable chance of success.

The prospects for effective international action against Cuba remain poor. Despite the growing concern about Castro and Castroism among many Latin American leaders, inhibitions about taking strong OAS action against Cuba will probably remain strong. Most of the rest of the Free World will probably continue to regard the Cuban problem as one for the United States to handle, with many of the Afro-Asian states inclined to sympathize with Cuba.